

Risk management seminar

Part 4

Classification of risk

Risk can be classified into several distinct classes. The most important include the following:

1. Pure and speculative risk
2. Diversifiable and nondiversifiable risk
3. Enterprise risk
4. Systemic risk

Types of IT risks

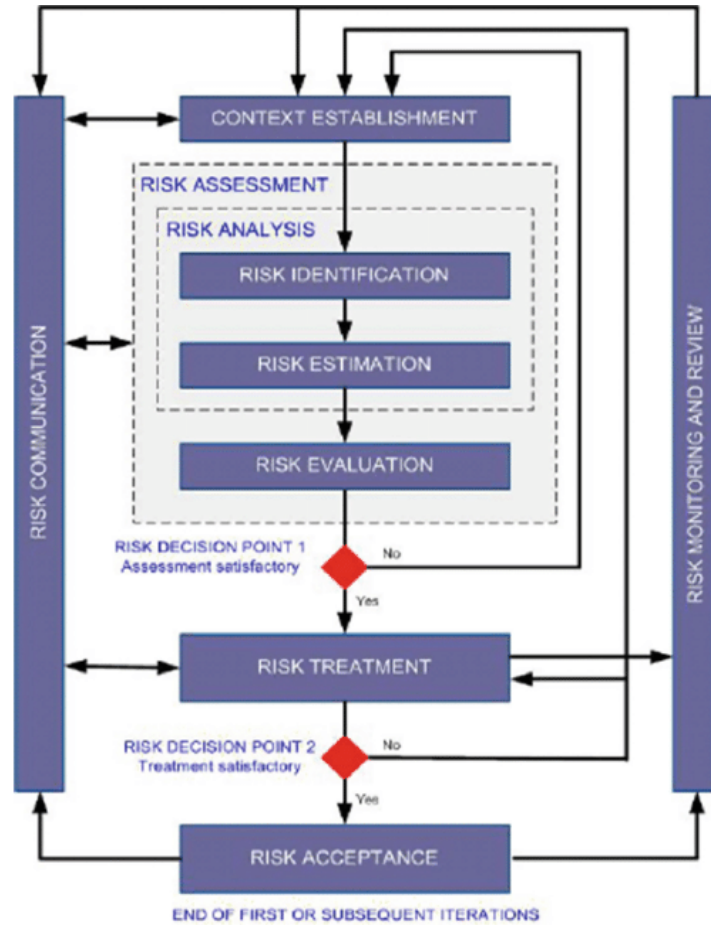
- 2. Electronic threats** - aiming to compromise the business information - e.g.: a hacker could get access to your website, your IT system could become infected by a computer virus, you could fall victim to a fraudulent email or website. These are commonly of a criminal nature.
- 3. Technical failures** - such as software bugs, a computer crash or the complete failure of a computer component. A technical failure can be catastrophic if you cannot retrieve data on a failed hard drive and no backup copy is available.
- 4. Infrastructure failures** - such as the loss of your internet connection can interrupt your business - e.g.: you could miss an important purchase order.
- 5. Human error** - is a major threat - e.g.: someone might accidentally delete important data, or fail to follow security procedures properly

4. Cybersecurity and identity theft

- Cybersecurity and identity theft by thieves breaking into firms' computer system and database are major problems for many firms.
- Computer hackers have been able to steal hundreds of thousands of consumer credit records, which have exposed individuals to identity theft and violation of privacy. As a result, commercial banks, financial institutions, and other business are exposed to enormous legal liabilities.
- Other crime exposures include robbery and burglary; shoplifting; employee theft and dishonesty; fraud and embezzlement; piracy and theft of intellectual property, and computer crimes.

Risk management models applied in practice

Algorithm of possible risk management



SBU definition with using 7S Methods

SBU - Euromedica s.r.o.

Strategy : corporate strategy for 2020 – 2023, integrated with financial strategy and HR strategy.

Structure :

Managing board, Supervisory board.

Direktor.

IT Servises.

Sales Department.

Ekonomics Department.

Logistik manager.

Systems :

IT Systems – MS Office, MS SQL Server

Account system Money S7

Small company managed by direktor and head off the departments.

Marketing system integrated in Money S7.

Logistik system integrated in Money S7.

Style: process oriented organization, with process maps and managed dokumentation.

Staff:

Managing board 3 persons.

Supervisory board 3 persons.

Direktor 1 person.

IT department 3 persons.

Logistik manager 1 person.

Sales department : 12 persons.

Economy department : 2 persons.

Skills:

Categorizing data.

Audit skills.

Process modeling.

Process analyzing.

Project management.

Lead auditor for ISO 9001, 14001, 18001, 20001, 27001.

Coordinating.

Risk management.

Shared values:

Strategic thinking.

Interviewing.

Diplomacy.

Advising.

Types of risks

Human factor :

Substance abuse

Stress situation

Certification

Information and technology risks:

Integrity of application systems

Incorrectly specified requirements for HW and SW and their evaluation

Unauthorized use of information, destruction, damage and its modification

Intentional interference with SW or HW

Operation risks:

Defective feedback system

Complexity of processes, operations

Organizational risk:

Ineffective methodological, control activities and supervision

Non-optimized circulation of documents, records, shredding of documents

Financial risk:

Manipulation of income and expenses

State guarantees, financial assistance

Thank you for your attention!
